

**23-1 PROBLEM**

**Journalizing notes payable and notes receivable transactions**

**1.**

GENERAL JOURNAL

PAGE 3

|    | DATE    | ACCOUNT TITLE                      | DOC. NO. | POST. REF. | DEBIT |    | CREDIT |    |
|----|---------|------------------------------------|----------|------------|-------|----|--------|----|
| 1  | 27 Mar. | 9 Notes Receivable                 | NR18     |            | 7     | 00 | 00     | 1  |
| 2  |         | Accounts Receivable/Carl Worth     |          |            |       |    |        | 2  |
| 3  |         | 16 Notes Receivable                | NR19     |            | 2     | 60 | 00     | 3  |
| 4  |         | Accounts Receivable/Ann Hilton     |          |            |       |    |        | 4  |
| 5  |         | 24 Accounts Payable/Rogers Supply  | M49      |            | 3     | 60 | 00     | 5  |
| 6  |         | Notes Payable                      |          |            |       |    |        | 6  |
| 7  |         | 26 Accounts Receivable/Jason Young | M53      |            | 4     | 15 | 00     | 7  |
| 8  |         | Notes Receivable                   |          |            |       |    |        | 8  |
| 9  |         | Interest Income                    |          |            |       |    |        | 9  |
| 10 |         |                                    |          |            |       |    |        | 10 |

**2.**

| CASH RECEIPTS JOURNAL |                     |          |            |         |             |                            |              |                   |        |                      |             |   |  |  | PAGE 6 |  |
|-----------------------|---------------------|----------|------------|---------|-------------|----------------------------|--------------|-------------------|--------|----------------------|-------------|---|--|--|--------|--|
| DATE                  | ACCOUNT TITLE       | DOC. NO. | POST. REF. | GENERAL |             | ACCOUNTS RECEIVABLE CREDIT | SALES CREDIT | SALES TAX PAYABLE |        | SALES DISCOUNT DEBIT | CASH CREDIT |   |  |  |        |  |
|                       |                     |          |            | DEBIT   | CREDIT      |                            |              | DEBIT             | CREDIT |                      |             |   |  |  |        |  |
| 1 <sup>st</sup> Mar.  | 8 Notes Payable     | R34      |            |         | 20 00 00 00 |                            |              |                   |        |                      | 20 00 00 00 | 1 |  |  |        |  |
| 2                     | 12 Notes Receivable | R67      |            |         | 1 00 00 00  |                            |              |                   |        |                      | 1 03 00 00  | 2 |  |  |        |  |
| 3                     | Interest Income     |          |            |         | 3 00 00     |                            |              |                   |        |                      |             | 3 |  |  |        |  |
| 4                     | 19 Notes Receivable | R74      |            |         | 6 00 00 00  |                            |              |                   |        |                      | 6 18 00 00  | 4 |  |  |        |  |
| 5                     | Interest Income     |          |            |         | 1 80 00     |                            |              |                   |        |                      |             | 5 |  |  |        |  |
| 6                     | 29 Notes Payable    | R84      |            |         | 30 00 00 00 |                            |              |                   |        |                      | 30 00 00 00 | 6 |  |  |        |  |
| 7                     | 30 Notes Receivable | R89      |            |         | 2 80 00 00  |                            |              |                   |        |                      | 2 92 60 00  | 7 |  |  |        |  |
| 8                     | Interest Income     |          |            |         | 1 26 00     |                            |              |                   |        |                      |             | 8 |  |  |        |  |

## 10

[illegible]

**23-1 PROBLEM (concluded)****2.***Calculations:**March 8, 90-Day Note**Maturity Date:**Maturity Value:**March 8-31**23 days*

$$\$20,000 \times 12\% \times 90/360 = \$600$$

*April**30 days**May**31 days*

$$\$20,000 + \$600 = \$20,600$$

*June 1-6**6 days**Total**90 days**March 24, 90-Day Note**Maturity Date:**Maturity Value:**March 24-31**7 days*

$$\$3,600 \times 15\% \times 90/360 = \$135$$

*April**30 days**May**31 days*

$$\$3,600 + \$135 = \$3,735$$

*June 1-22**22 days**Total**90 days**March 29, 120-Day Note**Maturity Date:**Maturity Value:**March 29-31**2 days*

$$\$30,000 \times 12\% \times 120/360 = \$1,200$$

*April**30 days**May**31 days*

$$\$30,000 + \$1,200 = \$31,200$$

*June**30 days**July 1-27**27 days**Total**120 days*

[illegible]